

STATE OF ARIZONA
Department of Insurance and Financial Institutions
FILED August 16, 2024 by AS

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

ARCH INSURANCE COMPANY

SBS No. 49207575

NAIC Co Code 11150

Harborside 3, 210 Hudson Street, Suite 300
Jersey City, NJ 07311-1107

Respondent.

No. 24A-058-INS

CONSENT ORDER

The Arizona Department of Insurance and Financial Institutions (“Department”) alleges that Arch Insurance Company (“Respondent”) violated provisions of Arizona Revised Statutes (“A.R.S.”) Title 20. Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits the following Findings of Fact are true, and consents to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Respondent is a Missouri domiciled insurer. Respondent holds an Arizona certificate of authority, with lines of business in casualty without workers’ compensation, disability, marine and transportation, property, surety, and vehicle insurance, originally issued by the Department on July 29, 1986.

2. On or about May 12, 2024, an Arizona consumer T.B. submitted a complaint with the Department alleging that Respondent failed to pay a health insurance claim for a hospital visit that occurred on a ship during a cruise.

3. The Department commenced an investigation into this matter.

1 4. On or about May 14, 2024, the Department requested, via email correspondence sent to the
2 email address on record with the Department, that Respondent provide complete records and a response to
3 T.B.'s complaint by June 4, 2024. Respondent failed to respond.

4 5. On or about June 6, 2024, the Department sent a second email correspondence to the email
5 addresses on record with the Department, requesting a response by June 13, 2024. Respondent failed to
6 respond.

7 6. On or about June 13, 2024, the Department contacted Respondent by telephone at
8 Respondent's number on file with the Department and left a voice message regarding the pending record
9 request and failure to respond. Respondent failed to respond to the Department's call.

10 7. On July 8, 2024, Respondent provided a late response relating to T.B.'s complaint.

11 **CONCLUSIONS OF LAW**

12 8. The Director has jurisdiction over this matter.

13 9. The Director has the authority to conduct examinations and investigations of insurance
14 matters and to request the accounts, records, documents, files, assets and matters in the person's
15 possession or control pursuant to A.R.S. §§ 20-142(C) and 20-157(A).

16 10. Respondent's conduct, as alleged above, constitutes a violation of the requirement that every
17 insurer, upon receipt of any inquiry from the Department, shall, within fifteen working days of receipt,
18 furnish the Department with an adequate response to the inquiry. Arizona Administrative Code R20-6-
19 801(E)(2).

20 11. Grounds exist for the Director to impose a civil penalty of up to one thousand dollars
21 (\$1,000.00) for each violation and not to exceed an aggregate of ten thousand dollars (\$10,000.00) within
22 any six-month period with respect to unintentional violations. A.R.S. § 20-220(B)(1).

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

ORDER

IT IS ORDERED:

12. Respondent shall immediately pay a civil money penalty in the amount of **two thousand dollars (\$2,000.00)**.

13. Respondent shall provide timely and complete responses to any future inquiries by the Department unless a written request for an extension is approved by the Department prior to the deadline.

DATED AND EFFECTIVE this 16th day August, 2024.

Barbara D. Richardson

Barbara Richardson
Cabinet Executive Officer
Executive Deputy Director
Arizona Department of Insurance and Financial Institutions

CONSENT TO ORDER

1
2 1. Respondent acknowledges that it has been served with a copy of the foregoing Consent
3 Order in the above-referenced matter, has read it, is aware of its right to an administrative hearing in this
4 matter and has knowingly and voluntarily waived that right.

5 2. Respondent accepts the personal and subject matter jurisdiction of the Department over
6 it in this matter.

7 3. Respondent acknowledges that no promise of any kind or nature has been made to induce
8 it to sign the Consent to Order and it has done so knowingly and voluntarily.

9 4. Respondent acknowledges and agrees that the acceptance of this Consent to Order by the
10 Director is solely to settle this matter and does not preclude the Department from instituting other
11 proceedings as may be appropriate now or in the future. Furthermore, and notwithstanding any language
12 in this Consent Order, this Consent Order does not preclude in any way any other state agency or officer
13 or political subdivision of this state from instituting proceedings, investigating claims, or taking legal
14 action as may be appropriate now or in the future relating to this matter or other matters concerning
15 Respondent, including but not limited to violations of Arizona's Consumer Fraud Act. Respondent
16 acknowledges that, other than with respect to the Department, this Consent Order makes no
17 representations, implied or otherwise, about the views or intended actions of any other state agency or
18 officer or political subdivision of the state relating to this matter or other matters concerning Respondent.

19 5. Respondent acknowledges and agrees that failure to correct the violations set forth above
20 in this Consent Order, or any repeat findings of the above violations in the future, can result in
21 disciplinary action which may include a greater civil money penalty and suspension or revocation of its
22 license.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

6. David Winston represents that he is the SVP, Chief Compliance Officer of Arch Insurance Company and, as such, is authorized to enter this Consent Order on its behalf.

Arch Insurance Company

August 13, 2024
Date

By: 
David Winston
SVP, Chief Compliance Officer

1 **ORIGINAL** of the foregoing filed
this 19th day of August, 2024 in the office of:

2
3 Barbara Richardson
4 Cabinet Executive Officer and Executive Deputy Director
5 Arizona Department of Insurance and Financial Institutions
6 Attn: Ana Starcevic, Project Specialist
7 100 North 15th Avenue, Suite 261
8 Phoenix, Arizona 85007
9 Ana.Starcevic@difi.az.gov

6 **COPY** of the foregoing delivered and/or emailed same date to:

7
8 Deian Ousounov, Chief Financial Deputy Director
9 Alena Caravetta, Regulatory Legal Affairs Officer
10 Maria Ailor, Assistant Director
11 Noelani Spencer, Consumer Services Supervisor
12 Catherine O'Neil, Consumer Leal Affairs Officer
13 Arizona Department of Insurance and Financial Institutions
14 100 North 15th Avenue, Suite 261
15 Phoenix, AZ 85007

12 **COPY** of the foregoing transmitted electronically the same date to:

13 Arch Insurance Company
14 Attn: David Winston, SVP, Chief Compliance Officer
15 Harborside 3, 210 Hudson Street, Suite 300
16 Jersey City, NJ 07311-1107
17 DWinston@archinsurance.com
18 Respondent

17 Ana Starcevic

18
19
20
21
22
23
24
25